

# The Sheltered Workshop Update



Dept. of Elem. & Sec. Education, Division of Special Education

Larry L. Young, Director

## NEWS FROM THE TRENCHES

**Boone Center, Inc.,** St. Peters, (Chuck Blossom, Mgr.) is in the beginning stages of an expansion that will nearly double the size of their facilities by adding an additional 42,560 square feet. This expansion will be used primarily for warehousing, but it will free up a large area that is currently being used as warehousing for production. Ground breaking for this project should be in October. Boone Center is also contracting with Reckitt-Benkiser to provide a work enclave at the Reckitt-Benkiser plant. This involves 11-14 employees and two supervisors. The job entails shrink-banding two items. Melodie Friedebach, the new assistant commissioner, and I observed this crew working. It is quite impressive and Reckitt-Benkiser has been quite pleased with the results. Keep up the good work Chuck.

**Doco, Inc.,** Ava, (Margaret Percy, Mgr.), is now in their new facilities. This building was formally owned by Hagale Industries, a garment manufacturer. It is located in the industrial park in Ava on two acres and has 15,000 square feet of space. Congratulations Margaret.

**Kingdom Projects, Inc.,** Fulton, (Lon Little, Mgr.) has just completed a new 4800 square foot facility in which they have installed a new horizontal bailer that will increase their production capabilities tremendously. The new building is a Cover-All building. It is made of galvanized steel framing with a fabric cover and 8 foot concrete walls. It allows for natural light to light the building.

*(Continued on page 2)*

## AUSTRALIAN WORKSHOP DIRECTOR VISITS MISSOURI SHOPS

Mr. Stephen Treloar, chief executive officer of Cumberland Industries Ltd. (Australia), visited Missouri in June. Cumberland Industries is a business service (sheltered workshop) in Australia, employing approximately 450 people with disabilities, having six locations, and \$6.5 (Australian) million in sales (\$4.5 million US). He became interested in visiting Missouri workshops after visiting our websites, and made initial contact almost a year ago. He was in the United States on other business and made a point of flying into St. Louis to specifically visit some Missouri workshops. The extended employment system in Missouri is very similar to the one in Australia with significant emphasis being placed on contract revenue. Many of the problems are similar as well, with Australian shops required to meet similar governmental guidelines as American shops, experiencing competition from low cost labor (Indonesia, instead of Mexico), automation, demands for integration, etc.



*(Trenches, continued from page 1)*

The baler has a capacity of 12-14 bales per hour, with each bale weighing 1500-1600 pounds. This, in the past, had been a full day of production for the workshop. Keep us posted Lon.

**Lafayette Industries, Inc.**, Manchester, (George Schumacher, Mgr.) is in the preliminary stages of a planned expansion. They hope to break ground this winter. They plan to expand from their current 29,000 square feet to a total of 57-60,000 square feet. The plans call for high warehouse ceilings, which will provide high-density cubic foot capacity. This will provide them with the ability to hold 3750+ pallets, as opposed to 1200 currently. The addition of the warehouse will free up current warehouse space for production and they hope to be able to add 30+ people over the next two years. Good luck George.

**Lamar Sheltered Workshop, Inc.**, Lamar, (Judd Chestnut, Mgr.) has completed their addition of 10,000 square feet of warehouse space. They have converted the old warehouse space of 3,000 square feet to production. Congratulations Judd.

**Monroe City Sheltered Workshop, Inc.**, Monroe City, (Connie Thurman, Mgr.) has a new addition upcoming. They hope to break ground in October for a new 7,000 square foot addition to enhance their recycling operations. Good luck Connie.

**Perry County Sheltered Workshop, Inc.**, Perryville, (Bill Tweedy, Mgr.) is in the middle of a new 15,000 square foot warehouse addition and 1700 square foot office addition. They anticipate completion in October. Congratulations Bill.

**Specialty Industries, Inc.**, St. Joseph, (Gloria Thomas, Mgr.) has added a new 20,000 square foot warehouse. They also added 3 new docks for a total of 6. They converted about 12,000 square feet of the old warehouse to production.

**Worth Industries, Inc.**, St. Louis, (Maxine Robinson, Mgr.) has purchased a new 38,300 square foot facility, and sold their old facility, which was only 12,000 square feet. They were in desperate need of additional space. They are scheduled to move into the new facilities by September 15. Congratulations Maxine.

**Industrial Service Contractors, Inc.**, Warrensburg, (Tom Bankhead, Dir., Randy Campbell, Mgr.) is taking bids on a 17,000 square foot expansion. This expansion is for new warehousing. The old warehouse will become production area and a portion of the current production area will become a new employee breakroom. The old employee breakroom will be converted to offices. Way to go Tom and Randy.

**Jeffco Subcontracting, Inc.**, Arnold, (Harry Wood, Mgr.) has broken ground for a new 15,000 square foot warehouse, new offices and restrooms. This can't be completed soon enough since they are bursting at the seams. Congratulations on this badly needed addition Harry.



**Nocomo Industries, Inc.**, Maryville, (Rich Hallenberg, Mgr.) has completed a badly needed addition, which includes enclosing a dock area, covering and fencing a large pallet storage area. This has provided a large increase in available storage space for the shop and freed up badly needed production area. Congratulations Rich.

## SEEING IS BELIEVING

This year marks the first year at the state level where term limits have a significant effect. Over half of the House will be replaced with new legislators, and close to the same for the Senate. That is why it is imperative that you invite your newly elected state legislators to your shop. Offer them a tour of your workshop operations, and they can see for themselves the results of years of hard work in building the business of sheltered employment. Provide them with information about the workshop, number of employees, wages paid, contract income versus state aid, etc. Include board members, and especially parents, in visits with your legislators. Your parents can explain the benefits of the program better than anyone else. The hour you spend could very well influence the legislators who make decisions about laws and appropriations that will affect your workshop.

## SALES AND PUBLIC RELATIONS

### Establishing a base

Public relations are the foundation of a good marketing program. The definition of public relations is, 'The methods and activities employed to promote a favorable relationship with the public.' The better the workshop is perceived by the public, the more likelihood that the public knows of it. How often have you heard from a person touring the workshop, 'I had no idea what you did here.' It is very hard to get the word out to everyone, but the more you do, the more likely your success. This isn't just true of business people, but everyone. If you give a tour to a group of special education teachers, there is no telling whom they will make aware of your operations. If you give a tour to a group of college students, the same holds true. Public relations and a positive public image are critical to the success of your marketing efforts. How can you improve your public relations? What do other businesses do to promote their image in the community? They stay active and involved.

They attend chamber meetings. Their staff are active in civic and professional organizations. Some provide tours for the public. Businesses are constantly providing press releases to the media. Press releases could be provided for the following:

- Staff and employee recognition
- Staff and employee tenure
- Staff and employee awards
- Open houses
- Additional capacity or expansion
- New contracts and partnerships

Your business can do the same.

Work closely with the local schools and colleges. If you have a college in your community you should make contact with the business department, and the education department, offer tours and a place for students to hone their skills, or gain experience. You can begin establishing a positive image of workshops for future business people and teachers, right at their most impressionable period. Be proactive. Your local school district, most likely, has a special education department. Invite the director and teachers over to tour, or even work in the workshop, during the summer months, to see what it is all about. Develop a strong tie to your sources of future employees and contract sources.

Get parents and caregivers, as well as employees involved. Employees and family have a tremendous value as a marketing resource. Most successful businesses today have input from their employees, and provide consideration of their family needs. Workshops should be no different. Listen to your employees, listen to their families, their input is critical to your success. Some shops have started 'consumer councils, or employee committees' to provide feedback to management and the board on what the employees would like to have accomplished. The more positive your employees, and their families, are about you, the more likely your customers will feel good about doing business with you. Do you feel better about doing business with an

*(Continued on page 4)*

*(Sales, Continued from page 3)*

employer who is thought highly of by their employees, or one who has a reputation for treating their employees poorly?

What are you doing to improve your public relations? Are your employees pleased with the opportunities provided, the working conditions, the environment? Do you provide press releases to the media? Is your staff involved in the community? Do you have open houses and tours? Are your facilities kept neat and clean at all times? Is this the work environment you would like to work in? Is this the type of facility you would like to have your sizable investment in inventory delivered to? Have you extended an invitation to local schools and colleges to visit? Do a self-evaluation. Are you being honest with yourself? If you can't objectively measure your public relations effectiveness, ask others in the community to provide you with feedback. Do a survey of your employees and families to see how you measure up.

There is a great deal involved in public relations. Much of it is common sense. You are not an island unto yourself. If you think you are, you'll soon find yourself much like Tom Hanks in the movie 'Castaway', looking for a way back to civilization and into the community.

Once a good solid base of positive public relations is established then it is time to move on to a full fledged marketing program.

### Marketing

Marketing is defined as 'the commercial functions involved in transferring goods from producer to consumer'. One of the key commercial functions in marketing is planning. Where can you go to get this planning? Your board and your community are the most likely sources for help. Everyone needs some help in this area. If you try to do all the planning yourself, you are limited. You will miss something, or you may perceive things differently than someone else. The more ideas you can come up with in this area the better off you will be. Maybe it is time to develop some sort of, if not formal, at least semi-formal marketing plan.

Ask some people from the board to be the core group. You may wish to include some community members, (i.e. business leaders, SCORE members) who you know will contribute and dedicate the time to this effort. The initial meeting may simply be an orientation meeting. Provide members with some facts and figures to indicate the importance of sales to the workshop existence. Give them some information on what other shops do. Show them some promotional videos done by other shops, if you have access to them. Get them familiar with what you have done in the past and what you have the capability of doing. What equipment and expertise your shop has, etc. Familiarize them with possibilities for workshop work, i.e.,

- Governmental contracts
- Sub-contract
- Proprietary products and services

See if anyone can think of any goods or services the community has dire need of, i.e. recycling, laundry operations, mailing operations, etc. Accept all ideas. Don't look at anything as preposterous or unreasonable. Learn to think outside the box. Finally and most important, feed your committee members if you want them to come back. After all they are providing you with their time and energy, the least you can do is fuel the engines.

Seek feedback from every source possible. Send out cards to current customers with return postage, ask what you are doing right, and what you are doing wrong. Keep all questionnaires as simple as possible, make them check off or 'yes' and 'no' type questions. Any time you have visitors, open houses, etc., get visitors to fill out questionnaires. A general questionnaire might ask questions such as:

- Did our facility appear clean and neat?  
Yes No
- Is this the type of environment you would like to work in? Yes No
- If you had work that needed to be done would you trust us to do it? Yes No

*(Continued on page 5)*

*(Sales, Continued from page 4)*

Always, always look for ways to improve you shop. Sometimes you need to learn to accept criticism. You may not agree with other people's perceptions, but if that is their perception, there must be a reason for it. If it is a perception that is not good for the shop, then you need to find out why the perception is there.

Some of the areas you will want to explore with a committee are as follows:

- Government contracts (Federal and state)
- Subcontract work
  - Packaging
  - Assembly
  - Mailing
- Service contracts
- Proprietary products
- Proprietary services
- Business purchase (local or national)
- Franchises
- Work Enclaves

Let's look at each of these and determine some resources for additional information.

**Government contracts** are available to those shops that have the technical expertise and perseverance to stick with the rigid specifications involved. NISH is a good resource for working on federal government contracts.

NISH, formerly the National Industries for the Severely Handicapped, is the national nonprofit agency designated by the Committee for Purchase From People Who Are Blind Or Severely Disabled to provide technical assistance to Community Rehabilitation Programs (CRPs) interested in obtaining federal contracts under the Javits-Wagner-O'Day (JWOD) Program. For many CRPs, government procurement in general, and the JWOD Program specifically, represented unfamiliar territory. As a result, NISH was established in 1974 to provide assistance to CRPs.

Their web site is located at: <http://www.nish.org/>

State contracts are also available. These are not too common and a little harder to come by than the federal contracts. The web page where you can check the availability of state contracts is <http://www.moolb.state.mo.us/BidList/bidbytype.asp?rtype=commo>.

County and local governments may also be sources for potential contracts, especially in the area of janitorial services or ground maintenance.

**Subcontract work**, includes packaging, assembly, mailing, and service contracts. This is the type of work that shops have survived on for years now. During good economic times this is excellent work and a good source of income. The recent recession, however, has brought to light the fact that it cannot be counted on. Customers will pull the work back to keep their own people busy when business slows down.

This will continue to be a significant portion of workshop business into the future though, and warrants discussion. There are a number of things that can be done to stimulate this type of business. Some ideas include:

- Mass mailings to potential customers with a follow up call
- Satisfaction surveys to current and past customers
- Involvement in civic and professional organizations in the community
- Referrals from board and acquaintances
- Referrals from other customers
- Referrals from other agencies

It is critical that you develop a reputation for excellent quality and timely turnaround.

Service contracts would be work performed outside of the facility, usually in the way of janitorial or grounds maintenance work, but records copying and destruction would also fall into this category. Some possibilities for this type of work might exist with current customers you do subcontract work with. Do they need janitorial or grounds maintenance work done at their facility?

*(Continued on page 6)*

*(Sales, Continued from page 5)*

What about churches, cemeteries, parks, private campgrounds, etc.? Also federal, state, and local governments again might be a good source for this type of work.

**Proprietary products** are products that a business, or in your case a workshop, develops themselves and builds a market for the given item. Many shops have tried this and some have succeeded, where others have not. Some build and sell first aid kits, whether they are for people or pets. Others have designed and built wiring harnesses, woodcraft items, eggs with toys and treats stuffed inside, etc. This can be lucrative, but it can also be very expensive in establishing market share and developing product recognition.

**Proprietary services** are services that most likely are performed in the workshop facilities. This might include recycling, car detailing, hospital laundry services, etc. Some shops have found these to be quite lucrative and effective in providing meaningful work. The difficulty lies in the fact that there may be large capital outlays needed to start, i.e. laundry equipment, buildings, for laundry services, or balers, material handling equipment for recycling. The advantage is that there may be grants available, especially in recycling, to help offset some of these start up costs.

**Business purchase** is a situation where a shop might decide to purchase a going business concern. The primary problem here lies in which businesses are good buys. What is the track record of that business? What is the potential market for that business? Does that business fit your needs for employment and is there someone available that knows that business? A number of factors come to play here and good expertise on the board is critical to making an informed decision. One of the primary positives with this strategy is a ready-made market, immediate work and cash flow.

**Franchises** may be another potential for increasing business, and opportunity for your employees. Is there a franchise available that would market well in your community? Can you afford it?

What are the advantages to the franchise over just starting your own business in that product line or service area? Would the franchiser be amenable to donating part of the franchise fee for a tax write-off?

**Work Enclaves** have become more popular over the years. This is a situation where a workshop sends a supervised crew to the customer's facility to work on a product line. The disadvantages to this would be transportation and the time involved in transporting personnel. This is a good way, however, to provide the customer with better control of inventory. It also allows shops to provide employees with opportunities to see what it might be like to work in an integrated, competitive environment. Customers can also provide the equipment to perform certain jobs, thus reducing startup costs to buy new equipment, or the cost of moving the equipment to the workshop. It also frees up space at the workshop for other contract work.

These have just been a few thoughts on marketing and sales. Hopefully this may provide you with ideas and thoughts regarding ways that you can increase your sales revenue.



The Missouri Department of Elementary and Secondary Education ensures equal employment/educational opportunities/affirmative action regardless of race, color, creed, national origin or sex, in compliance with Section 504 of the Rehabilitation Act of the Americans with Disabilities Act.